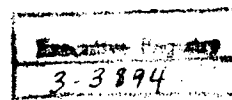


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28 October 1952

MEMORANDUM FOR: DD/P

SUBJECT: Operation BGFIEND

REFERENCE: Secret Memorandum for the Record, dtd 21 October 1952, from C/I&R.

1. With reference to certain talks which took place between Mr. Dulles and representatives of SIS in London on 30 September 1952, I should like to express my concern over the fact that such discussions took place without any preceding consultation with this Division and that I was not given an opportunity to prepare a position paper which would have been helpful in providing Mr. Dulles with background material for his conversation.

2. In any future discussions with the British concerning Albania there are certain points which ought to be borne in mind as factors to be considered in arriving at any conclusions regarding British proposals. Among these are the following:

a. The American operation BGFIEND is a very much larger and more complex undertaking than the British operation VALUABLE.

b. During the past year American operations in Albania have been conspicuously more successful than British operations and have produced a very much greater intelligence yield.

c. Because of the scope and character of the American operations, they have tended to increase American prestige in Albanian circles, whereas British prestige has probably declined relatively speaking.

d. There are indications that the British are somewhat resentful of our greater capabilities and accomplishments in Albania and may be disturbed that we are in a position to attain a relatively more favorable position of influence both inside the country and in emigre circles.

e. Although from the outset the British have attempted to make BGFIEND and VALUABLE a joint operation, we have persistently and successfully maintained the principle of "operational-disengagement." These are two separate undertakings; the termination of one does not necessarily require the termination of the other.

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f. The British have benefited greatly from many of the Albanian activities financed exclusively with American funds.

g. Regardless of what happens to British Project VALUABLE, American Project BGFIEND is in an excellent position to continue as an exclusively American operation.

h. We have every indication that the Department of State is satisfied with the character and scope of our BGFIEND activities and is happy to have them continued at the present level.

2. In the event the British decide to cut back or terminate their Albanian operation VALUABLE, there is no reason why the American operation BGFIEND should suffer any corresponding reduction in scale or termination. As a program being implemented in accordance with the same basic policy established by the highest U.S. authority for other Soviet Satellite states, the Albanian program should be continued until its termination or alteration is requested by the Department of State. British attempts to induce a reduction of activities vis-a-vis Albania could conceivably occur in the near future as a result of British desire to prevent the growth of American prestige and influence in the Balkan area.

C/SE

Attachment: 1 (Reference Memo of Conversation)

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21 October 1952

MEMORANDUM FOR THE RECORD

SUBJECT: BGFIEND

1. During a conference on 30 September 1952 between Mr. Allen Dulles, [ ] Chief British Secret Service, and [ ] Vice Chief British Secret Service, Mr. Dulles brought up the subject of Operation BGFIEND.

2. Mr. Dulles said that CIA's opinion is that Operation FIEND is now on trial. [ ] remarked that in the opinion of MI-6 this Operation reached a crest in the winter of 1951-52 and we should largely desist from operations with the possible exception of propaganda and what we are getting from Albania in the form of intelligence. [ ] felt that there should be an agreed intelligence estimate on Albania this autumn and after that an agreed plan between MI-6 and CIA as to the portion of the Operation to be continued. Mr. Dulles concurred in this and both agreed that there was no need to ask for a political re-estimate on Albania.

[ ]  
Chief, Inspection and Review

cc: C/SE ✓  
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